

STATE OF MICHIGAN
COURT OF APPEALS

MIDWESTERN COMPUTER SERVICES INC. and
JACK E. BUSSELLE,

UNPUBLISHED
February 17, 1998

Plaintiffs-Appellees,

v

No. 197143
Oakland Circuit Court
LC No. 92-430524 CL

JAMES RATLIFF d/b/a ATTORNEY
COLLECTION SERVICES and ANDREA
RATLIFF,

Defendants-Appellants,

and

AMERICAN AUDIT CORPORATION,

Defendant.

Before: Markman, P.J., and McDonald and Cavanagh, JJ.

PER CURIAM.

Defendants appeal as of right from the judgments entered against James and Andrea Ratliff, individually, following a bench trial. We reverse and remand for proceedings consistent with this opinion.

Defendants argue that the trial court erred in piercing the corporate veil against them because plaintiffs' claims are barred by the statute of limitations.¹ We agree.

Plaintiffs raised claims against defendants pursuant to MCL 600.3605; MSA 27A.3605. However, MCL 600.3605(2); MSA 27A.3605(2) provides that a claim against officers of a corporation must be brought within one year after the person has ceased to be an officer. Thus, plaintiffs' claims are barred because American Audit Corporation was dissolved in 1989, but plaintiffs

did not file a claim against James and Andrea Ratliff until March 24, 1992, more than two years after their tenure as officers had ended.

Plaintiffs' claim pursuant to MCL 450.1541a; MSA 21.200(541a) is also time barred. MCL 450.1541a(4); MSA 21.200(541a)(4) provides that "[a]n action against a director or officer for failure to perform the duties imposed by this section shall be commenced within 3 years after the cause of action has accrued, or within 2 years after the time when the cause of action is discovered or should reasonably have been discovered, by the complainant, whichever occurs first." Plaintiffs asserted that they discovered wrongdoing on the part of James and Andrea Ratliff in 1987 or 1988. Therefore, plaintiffs should have filed a claim against defendants no later than 1991. Because they did not do so until March 24, 1992, their suit was barred by the statute of limitations.

Plaintiffs also brought a claim against Andrea Ratliff individually on a breach of contract theory. The statute of limitations for a breach of contract action is six years from the time the claim first accrues. MCL 600.5807(8); MSA 27A.5807(8); *Sparta State Bank v Covell*, 197 Mich App 584, 587; 495 NW2d 817 (1992). A claim accrues, for purposes of the statute of limitations, when suit may be brought. *Harris v Allen Park*, 193 Mich App 103, 106; 483 NW2d 434 (1992). For contract actions, the period of limitation generally begins to run on the date of the contract breach. *Id.* Moreover, claims on an installment contract accrue as each installment falls due. Therefore, the statutory period of limitation runs separately with respect to each installment as it becomes due. *Sparta State Bank, supra*.

Evidence was presented that in 1985, Andrea agreed to assume responsibility for a promissory note issued by John Baldwin to Jack Busselle. The trial court's findings of fact do not indicate when payment on the promissory note came due. Because plaintiffs filed suit on March 24, 1992, their claim against Andrea may be barred, all or in part, by the statute of limitations. Therefore, we remand this issue to the trial court for a determination regarding this issue.

Because of our resolution of the above issues, defendants' remaining claims on appeal need not be addressed.

Reversed and remanded for proceedings consistent with this opinion. We do not retain jurisdiction. No taxable costs pursuant to MCR 7.219, neither party having prevailed in full.

/s/ Stephen J. Markman

/s/ Gary R. McDonald

/s/ Mark J. Cavanagh

¹ Defendants also claim that the trial court erred in piercing the corporate veil. After reviewing the trial court's findings of fact, we agree that the trial court does not appear to have applied the proper standard for determining whether to pierce the corporate veil. See *Foodland Distributors v Al-Naimi*, 220 Mich App 453, 457; 559 NW2d 379 (1996). However, because plaintiffs' claims are barred by the statute of limitations, we find it unnecessary to address this issue further.